

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7712

Investigation of Request by Vermont Gas Systems,     )  
Inc. to establish a System Expansion and Reliability     )  
Fund with funds provided by reductions in the     )  
quarterly Purchase Gas Adjustment rate under the     )  
Alternative Regulation Plan     )

Order entered: 3/16/2011

**PREHEARING CONFERENCE MEMORANDUM & NOTICE OF WORKSHOP**

On March 9, 2011, the Vermont Public Service Board ("Board") held a prehearing conference in this Docket. The following persons entered appearances: John H. Marshall, Esq., Downs Rachlin Martin, PLLC, on behalf of VGS; and Jeanne Elias, Esq., on behalf of the Vermont Department of Public Service ("DPS").

At the prehearing conference, VGS provided an overview of its proposed expansion project into the Middlebury and Vergennes market areas, and described the establishment of the "Vermont System Expansion and Reliability Fund" (the "Fund") to meet the planning and development costs associated with the proposed expansion. The parties also discussed potential implications of establishing the Fund involving VGS's Alternative Regulation Plan ("ARP" or "Plan"). The Board concluded that additional areas concerning the Fund and the ARP needed to be clarified by VGS. VGS proposed scheduling a workshop to address those issues. After discussing the workshop proposal with the parties, the Board agreed that VGS would provide a more thorough explanation of:

- the proposed expansion plans;
- the accounting treatment of the expansion;
- the role and duration of the Fund;
- the potential impacts of the Fund on the ARP;

at a Workshop to be held on Tuesday, March 22, 2011, at 1:30 P.M, at the PSB Hearing Room, 4<sup>th</sup> Floor, Peoples United Bank Building (f/k/a Chittenden Bank Building), at 112 State Street, Montpelier, Vermont. The Board requests that VGS file an agenda for the Workshop on March 18, 2010.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 16th day of March, 2011.

<u>s/ James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/ David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/ John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: March 16, 2011

ATTEST: s/ Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*